

Public Service Commission of Wisconsin Considers Water Rate Case

The Public Service Commission of Wisconsin (PSC) is determining new rates for the Milwaukee Water Works' water service charge and water usage charge, and when they will take effect. The revenue from the rate increase will allow the utility to:

- continue to produce safe, high quality drinking water
- properly operate and maintain its extensive infrastructure
- maintain current service levels

The rates affect residential and business customers, and the 15 suburbs which are retail and wholesale customers of the Milwaukee Water Works.

The PSC has determined the rate increase would raise the total water charge for a single family residential account in Milwaukee by \$10.92 per billing quarter, to a total water charge per quarter of \$47.19, or about \$0.52 per day. The Milwaukee average residential customer will pay \$1.00 for 300 gallons of water; or, three gallons cost one cent.

The date that the rate increase will take effect has not been determined, but will likely be in late 2010. The PSC will hold a public hearing on the case Aug. 11 at 3:00 p.m. and 6:00 p.m. at the Zeidler Municipal Building, 841 N. Broadway, Room 102.

Milwaukee will continue to have low rates for clean, safe drinking water compared with the rest of the United States. With the new rate, residential customers will pay about \$200 a year for water. Of the 78 water utilities in the seven-county region of southeastern Wisconsin, Milwaukee would have the 59th least expensive water.

The rate increase affects only the water charges on the Municipal Services Bill, not the entire bill. The water portion is a small part of the Municipal Services Bill. The rate increase will not affect the City of Milwaukee Local Sewerage Charge and Storm Water Management Charge, Milwaukee Metropolitan Sewerage District (MMSD) sewer charge, Snow and Ice Removal Charge, or Solid Waste Charge. The drinking water utility uses its billing system to collect all of these charges and forwards the payments to other city departments and the MMSD.

Why is a rate increase needed? Water use has dropped about 2% each year in the past decade. Less water sold means there is less money to pay for higher operational costs to continue to provide clean, safe water:

- Electric power and fuel
- Wages and benefits
- Maintaining aging infrastructure – pipes, pumps, treatment plants
- Chemicals used to treat water so it is safe to drink

The Milwaukee Water Works continues to hold down its own operational costs:

- A complete reorganization and downsizing in 2003 remains in place.
- Non-critical positions that open through employee retirement or resignation are not filled.
- The utility eliminated 71 fulltime positions from 2000-2009, a 17% reduction in its fulltime workforce. This resulted in savings of \$5.7 million in reduced costs.
- Non-essential overtime was eliminated.
- The utility is using new technology and automation to improve efficiency.
- Savings are being achieved in energy, fuel, and water use.